



PSC NEWS

Missouri Public Service Commission

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NATURAL GAS RATES TO CHANGE FOR LACLEDE GAS COMPANY CUSTOMERS UNDER SCHEDULED NATURAL GAS FILING

Jefferson City (March 5, 2004)---To reflect estimated changes in the cost of natural gas for the remaining winter heating season, natural gas rates will drop for Laclede Gas Company customers under a scheduled filing reviewed and accepted by the Missouri Public Service Commission. This rate change, which is interim subject to refund, will take effect on March 12, 2004.

A residential customer currently pays \$0.67900 per therm (per 100 cubic feet of gas). Under this filing, the rate will drop to \$0.62596 per therm, a reduction of 5.3 cents per therm. The effect of the proposed rate on a typical residential heating customer's March natural gas bill will be an approximate decrease of \$4.00 when compared to rates currently in effect.

Approximately 60% to 75% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

Laclede Gas Company serves approximately 636,215 natural gas customers in the City of St. Louis as well as the Missouri counties of St. Louis, St. Charles, Butler, Iron, Franklin, Jefferson, Madison, St. Francois and Ste. Genevieve.

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